

DRAFT
STATE OF CONNECTICUT
MUNICIPAL ACCOUNTABILITY REVIEW BOARD (MARB)

MEETING MINUTES
West Haven Subcommittee of the MARB

Meeting Date and Time: Tuesday, February 25, 2020 10:00 AM – 12:00 AM

Meeting Location: Board of Regents Conference Room, 61 Woodland Street, Hartford CT

Members in Attendance: Secretary of OPM Melissa McCaw, Christine Shaw (State Treasurer designee), Tom Hamilton, Robert White

Municipal Officials and Staff: Mayor Nancy Rossi, Frank Cieplinski, Lee Tiernan, Superintendent Cavallaro, Matt Cavallaro

OPM Staff: Kimberly Kennison, Mike Walsh, Julian Freund, Michael Milone (Liaison to West Haven)

I. Call to Order & Opening Remarks

The meeting was called to order at 10:05 AM.

II. Approval of minutes: January 28, 2019

The minutes were approved unanimously.

III. Update: State Partnership

Mr. Milone updated the subcommittee on the Partnership transition. Active employees of five City unions were transitioned to the Partnership in January. The City is working on options for retirees. Benefits for Pre-65 retirees need to be comparable to or better than existing benefits. For the Post-65 retirees, the requirement is to provide the same coverage. Further analysis will be completed on the Firefighters union to determine if they will be transitioned in July. Lockton has prepared an analysis of projected Board of Education health insurance costs under a continuation of the high deductible plan design and under the Partnership Plan. Seth Lavigne of Lockton presented the analysis. With State Partnership rates for July 2020 not yet available, the analysis assumed two potential rate increases: 8% and 4%. The analysis suggested that a move to the State Partnership would result in a higher cost than remaining self-insured with a high deductible plan. Members discussed the potential financial impact and the timing associated with a transition to the Partnership. The process would need to begin 60 to 90 days prior. When the State Partnership rates for July are finalized, the analysis will be updated to reflect actual rates. The subcommittee requested that the subsequent analysis be formatted to show the number of members in for each insured group.

IV. Review, Discussion and Possible Action: Labor Contracts

a. West Haven Police Local 895 UPSEU

Secretary McCaw introduced the agenda item. The Police union contract expired in June 2018. A Tentative Agreement for a contract that would go through June 2023 was reached on February 4th.

MARB has review and approval authority of this labor agreement. The City and its labor attorney presented the tentative agreement. It provides for wage adjustments of 0% for years 1 through 3, followed by wage adjustments of 1% and 2.5%. The union has also agreed with the switch to the Partnership health insurance plan. The City agreed to reduce the employee premium share from 18% to 15% in the upcoming year, increasing to 16% in the out years. Retiree premium shares are increased to 25% for those hired after January 2020 and capped at 20% for those hired prior to January 2020. Secretary McCaw noted that while the wage and health plan provisions for active employees of the agreement were favorable outcomes of the negotiations, some opportunities for the City to make progress in the areas of leave time payouts and retiree benefits have been missed. Secretary McCaw expressed her respect for the union and the negotiators and the progress that was made in the negotiations. A motion was made by Ms. Shaw to recommend to the full MARB approval of the contract, with a second by Mr. Hamilton. All members voted in favor.

V. Update: FY 2019 Audit

Ms. Kennison provided an update on the FY 2019 audit process. The City's auditor is continuing with additional testing as previously reported. An additional extension to the filing deadline has been submitted and approved. A presentation by the auditor is anticipated at the March subcommittee meeting.

VI. Update: Fire Districts

Ms. Kennison and Mr. Walsh provided an update on staff discussions with the independent fire districts. Both districts have expressed intent to task their actuarial firms with deeper analysis of long term liabilities, including a depletion analysis of pension funds and projected OPEB benefit payments. The First District commission has approved a motion to have the analysis completed and forwarded to OPM. The West Shore District commissioners have scheduled meetings with their actuarial firm. The results of the analyses are anticipated in late April.

VII. Update: HR Action Plan

Mr. Milone provided an update on steps taken by the City to address issues raised by the consultant report on the City and Board of Education Human Resources functions. The Board of Education has contracted with Human Resources Consulting Group (HRCG) to backfill two positions in payroll and benefits that are vacant due to recent retirements. HRCG will fill in until a long-term plan that covers both City and BOE processes is defined. The City recently issued an RFP to outsource payroll, employee benefits and potentially other HR functions. Prior to hiring vendors to handle various functions, the City and BOE need to establish or update certain policies and procedures. This will provide a framework or infrastructure for vendors to operate within. HR Consulting Group is assisting the City in the development of needed policies and procedures. Secretary McCaw advised that the City will need to prepare an operations plan and timeline that identifies the immediate, near term and longer term steps the City will be taking toward addressing deficiencies in HR. The City should prepare a detailed plan and provide regular progress reports.

VIII. Update: User Fees Report

Mr. Tiernan explained that the City is in the progress of reviewing proposals for a parking study to enhance parking related revenues. Mr. Milone provided an update on the analysis of User Fees and

steps to update certain fees and charges for services. The initial focus has been on the Building Department, Police Department and Health Department. Very little coordination of tracking changes in fees is in place and little consistency in how fees are administered. Subcommittee members advised that the City compile a comprehensive fee schedule to be updated annually as part of this process.

IX. Adjourn

The meeting adjourned at 12:15 PM.